



State of Utah

Department of Natural Resources

MICHAEL R. STYLER
Executive Director

Division of Oil, Gas & Mining

JOHN R. BAZA
Division Director

JON M. HUNTSMAN, JR.
Governor

GARY R. HERBERT
Lieutenant Governor

Representatives Present During the Inspection:

OGM	Pete Hess	Environmental Scientist III
Company	Vicky S. Miller	Environmental Specialist

Inspection Report

Permit Number:	C0070039
Inspection Type:	PARTIAL
Inspection Date:	Monday, December 19, 2005
Start Date/Time:	12/19/2005 10:40:00 AM
End Date/Time:	12/19/2005 11:40:00 AM
Last Inspection:	Tuesday, November 29, 2005

Inspector: Pete Hess, Environmental Scientist III

Weather: Overcast; 30's F. One-half inch of fresh snow.

InspectionID Report Number: 821

Accepted by: whedberg
12/21/2005

Permittee: **CANYON FUEL COMPANY LLC**

Operator: **CANYON FUEL COMPANY LLC**

Site: **DUGOUT CANYON MINE**

Address: **PO BOX 1029, WELLINGTON UT 84542**

County: **CARBON**

Permit Type: **PERMANENT COAL PROGRAM**

Permit Status: **ACTIVE**

Current Acreages

7,083.71	Total Permitted
51.11	Total Disturbed
	Phase I
	Phase II
	Phase III

Mineral Ownership

- ☒ Federal
- ☒ State
- ☐ County
- ☒ Fee
- ☐ Other

Types of Operations

- ☒ Underground
- ☐ Surface
- ☐ Loadout
- ☐ Processing
- ☐ Reprocessing

Report summary and status for pending enforcement actions, permit conditions, Division Orders, and amendments:

The Division notified the Permittee on December 14, 2005 that the third quarter of 2005 surface and ground water monitoring information for the Dugout Canyon Mine permit area had been uploaded into the Division data base. Thus, the Special Permit Condition included in Attachment "A" of the current State permit has once again been met.

There are no compliance actions currently pending for the Dugout Mine permit area.

The mid-term permit review process is pending at this time.

The Pace Canyon fan portal facility was inspected this day. Construction activities are near completion.

Inspector's Signature

Date Monday, December 19, 2005

Pete Hess, Environmental Scientist III

Inspector ID Number: 46

Note: This inspection report does not constitute an affidavit of compliance with the regulatory program of the Division of Oil, Gas and Mining.

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Inspection Continuation Sheet

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REVIEW OF PERMIT, PERFORMANCE STANDARDS PERMIT CONDITION REQUIREMENTS

1. Substantiate the elements on this inspection by checking the appropriate performance standard.
 - a. For COMPLETE inspections provide narrative justification for any elements not fully inspected unless element is not appropriate to the site, in which case check Not Applicable.
 - b. For PARTIAL inspections check only the elements evaluated.
2. Document any noncompliance situation by reference the NOV issued at the appropriate performance standard listed below.
3. Reference any narratives written in conjunction with this inspection at the appropriate performance standard listed below.
4. Provide a brief status report for all pending enforcement actions, permit conditions, Divison Orders, and amendments.

	Evaluated	Not Applicable	Comment	Enforcement
1. Permits, Change, Transfer, Renewal, Sale	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
2. Signs and Markers	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input checked="" type="checkbox"/>	<input type="checkbox"/>
3. Topsoil	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
4.a Hydrologic Balance: Diversions	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input checked="" type="checkbox"/>	<input type="checkbox"/>
4.b Hydrologic Balance: Sediment Ponds and Impoundments	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input checked="" type="checkbox"/>	<input type="checkbox"/>
4.c Hydrologic Balance: Other Sediment Control Measures	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input checked="" type="checkbox"/>	<input type="checkbox"/>
4.d Hydrologic Balance: Water Monitoring	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input checked="" type="checkbox"/>	<input type="checkbox"/>
4.e Hydrologic Balance: Effluent Limitations	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
5. Explosives	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
6. Disposal of Excess Spoil, Fills, Benches	<input type="checkbox"/>	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
7. Coal Mine Waste, Refuse Piles, Impoundments	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
8. Noncoal Waste	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
9. Protection of Fish, Wildlife and Related Environmental Issues	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input checked="" type="checkbox"/>	<input type="checkbox"/>
10. Slides and Other Damage	<input type="checkbox"/>	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
11. Contemporaneous Reclamation	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
12. Backfilling And Grading	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input checked="" type="checkbox"/>	<input type="checkbox"/>
13. Revegetation	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
14. Subsidence Control	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input checked="" type="checkbox"/>	<input type="checkbox"/>
15. Cessation of Operations	<input type="checkbox"/>	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
16.a Roads: Construction, Maintenance, Surfacing	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
16.b Roads: Drainage Controls	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input checked="" type="checkbox"/>	<input type="checkbox"/>
17. Other Transportation Facilities	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
18. Support Facilities, Utility Installations	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
19. AVS Check	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
20. Air Quality Permit	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
21. Bonding and Insurance	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
22. Other	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>

2. Signs and Markers

The water bars which are located inside the disturbed area perimeter on the Pace Canyon road are designed to convey road surface runoff toward Pace Creek through the erosion resistant retaining wall. These water bars are in very close proximity to the cyclone fence which surrounds the disturbed area perimeter. It was suggested that the Permittee mark these "speed bumps" with appropriate signage to minimize the possibility of a vehicle being thrown into the fence by hitting these water bars at too high of a velocity.

4.a Hydrologic Balance: Diversions

As observed this day, the Permittee's contractor was constructing the retention berm along the inside edge of the completed chain link fence. This is the fence located on the western edge of the Pace Canyon access road, and encompasses the entire fan portal disturbance. Four water bars have been implemented to sub-divide the water shed associated with the road surface within the disturbed area perimeter. These will collect road surface runoff, and direct it off of the roadway toward Pace Creek via erosion resistant structures. Three water bars were approved within the permitting process; a fourth, which is located at the bottom of the disturbance across the Pace Canyon road is being retained to direct runoff from that area toward a silt fence prior to the flow entering Pace Creek. This silt fence (#4) was implemented during the construction process to prevent untreated runoff from leaving the disturbed area.

4.b Hydrologic Balance: Sediment Ponds and Impoundments

The Permittee has completed the construction of the Pace Canyon fan portal sediment pond. The oil skimmer is installed. The surface has been shaped to direct runoff from the fan portal pad area to the berm directing runoff into the pond. It is not known if Mr. Dave Spillman, P.E., Manager of Tech Services, has made a final inspection of the completed sediment pond construction. The Permittee will utilize aerial photogrammetry to assist in preparing the required "as-built" information for the Pace Canyon fan portal facility.

4.c Hydrologic Balance: Other Sediment Control Measures

The silt fences which have been installed on the west bank of Pace Creek parallel with the disturbed area perimeter will be evaluated in the spring to determine if they can be removed, or if they need to be retained. At present, the ground here is frozen; the Permittee wants the vegetation to get re-established along the Creek before removing the fences.

4.d Hydrologic Balance: Water Monitoring

The Permittee has submitted the third quarter of 2005 surface and ground water monitoring information to the Division EDI web site. Pace Creek was observed to be frozen this day. Ms. Miller indicated that the UPDES outfall for the mine water discharge point from the air shaft is operational, although it is doubtful that the Permittee will ever use this outfall to discharge mine water.

9. Protection of Fish, Wildlife and Related Environmental Issues

The Permittee has all but completed the installation of the wildlife fence as well as the cyclone fence whose purpose it is to prevent unauthorized access into the Dugout Canyon Mine underground workings by humans or wildlife. The eagle nesting area which has been the issue of much concern was undermined during the week of December 12, 2005. To date, there has not been any damage observed to the nest area. The Permittee continues to monitor same.

12. Backfilling And Grading

The Permittee has completed the backfilling and regrading of degasification well site G-3. Hydroseeding remains to be completed. This will more than likely be completed in the Spring of 2006. The remaining topsoil piles at all of the well sites have been seeded, as noted in last month's inspection report.

14. Subsidence Control

The subsidence control and monitoring regime for the Dugout Canyon Mine is being evaluated as part of the midterm permit review process.

16.b Roads: Drainage Controls

As noted elsewhere within this report, four designed water bars have been implemented within the Pace Canyon fan portal disturbance to direct intercepted road surface runoff toward Pace Creek.